



Office of Representative Heath Shuler

Representing North Carolina's Eleventh Congressional District

For Immediate Release

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Rep. Shuler Makes College More Affordable for N.C. Families *Votes for Largest Investment in Student Aid since the G.I. Bill*

Washington, D.C. – Representative Heath Shuler voted today for the single largest investment in financial aid for college students since the GI Bill was passed in 1944. The College Cost Reduction Act, H.R. 2669, passed the House of Representatives with bipartisan support and will help thousands of working families across North Carolina pay for college.

The College Cost Reduction Act will boost financial aid by nearly \$18 billion over the next five years. The bill is paid for at no new cost to the American taxpayers and pays for itself by reducing the excessive federal subsidies paid to private lenders in the college loan industry by \$19 billion. The bill also provides for \$750 million in federal deficit reduction.

Every year over 90,000 students at North Carolina's 4-year public colleges and universities take out need-based loans to pay for their education. The typical North Carolina student finishes their education with more than \$13,000 in debt.

“As we compete in the global marketplace of the 21st Century, we must invest in our children's education. The return we see from each dollar that we invest in our children's education is immeasurable,” said Rep. Shuler. “It is one of the greatest investments we can make for our future.”

Through the College Cost Reduction Act the maximum value of the Pell Grant scholarship will increase by \$500 over the next five years. When combined with other Pell Grant increases passed or proposed by Congress this year, the maximum Pell Grant would reach \$4,900 in 2008 and \$5,200 in 2011, up from \$4,050 in 2006. This increase in the Pell Grant's maximum value will restore its purchasing power and benefit nearly 6 million low- and middle-income students.

The bill also cuts interest rates in half on need-based student loans, reducing the cost of those loans for millions of student borrowers. Like legislation passed by the House earlier this year, the College Cost Reduction Act would cut interest rates from 6.8 percent to 3.4 percent in equal steps over the next five years. Once fully phased-in, this would save the typical student borrower – with \$13,800 in need-based student loan debt – \$4,400 over the life of the loan.

“We must ensure that the doors to America's colleges and universities remain open to every student, regardless of their family's wealth. With this bill, along with the work we have already done this year in the House, we are ensuring that every American student who wants to go to college can go to college,” Rep. Shuler concluded.

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